

Agency:	107 Health Care Authority
Decision Package Code/Title:	PL – EJ Eliminate Maternity Support Services
Budget Period:	2012 Supplemental
Budget Level:	PL – Performance Level

Fiscal Detail/Objects of Expenditure

	FY 2012	FY 2013	Total
1. Operating Expenditures:			
Fund 001-1 General Fund State	\$ (6,892,000)	\$ (14,031,000)	\$ (20,923,000)
Fund 001-2 GF-Federal - Basic	\$ -	\$ -	\$ -
Fund 001-C GF-Federal - Medicaid	\$ (6,872,000)	\$ (13,952,000)	\$ (20,824,000)
Fund 001-7 GF-Private/Local	\$ -	\$ -	\$ -
Fund 418-1 HCA Admin Account	\$ -	\$ -	\$ -
Total	\$ (13,764,000)	\$ (27,983,000)	\$ (41,747,000)
2. Staffing:			
Total FTEs	-	-	-
3. Objects of Expenditure:			
A - Salaries And Wages	\$ -	\$ -	\$ -
B - Employee Benefits	\$ -	\$ -	\$ -
C - Personal Service Contracts	\$ -	\$ -	\$ -
E - Goods And Services	\$ -	\$ -	\$ -
G - Travel	\$ -	\$ -	\$ -
J - Capital Outlays	\$ -	\$ -	\$ -
N - Grants, Benefits & Client Services	\$ (13,764,000)	\$ (27,983,000)	\$ (41,747,000)
Other (specify) -	\$ -	\$ -	\$ -
Total	\$ (13,764,000)	\$ (27,983,000)	\$ (41,747,000)
4. Revenue:			
Fund 001-2 GF-Federal - Basic	\$ -	\$ -	\$ -
Fund 001-C GF-Federal - Medicaid	\$ (6,872,000)	\$ (13,952,000)	\$ (20,824,000)
Fund 001-7 GF-Private/Local	\$ -	\$ -	\$ -
Fund 418-1 HCA Admin Account	\$ -	\$ -	\$ -
Total	\$ (6,872,000)	\$ (13,952,000)	\$ (20,824,000)

Recommendation Summary Text

Health Care Authority (HCA) proposes elimination of the First Steps Maternity Support Services (MSS) program effective January 1, 2012. This elimination is expected to result in a savings of \$-41,747,000 (\$-20,923,000 GF-State) in the 2011-2013 Biennium. This submittal is in response to the request for a ten percent across-the-board reduction plan.

Package Description

The First Steps MSS program was created under the Maternity Care Access Act (RCW 74.09) in 1989. The First Steps MSS program currently provides medical services for prenatal care, Childbirth

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Education (CBE), delivery, post pregnancy follow-up, and one year of family planning services post pregnancy in combination with Infant Case Management (ICM), which includes one year of full medical care for newborns. These services are provided to eligible women who are at high risk for poor birth outcomes and their infants for the first year of life.

HCA proposes that MSS be eliminated effective January 1, 2012. This proposal will preserve state and federal funds currently used to support the First Steps MSS program, which provides enhanced services to Medicaid-eligible pregnant women and their infants to improve and promote healthy birth outcomes.

Questions related to this decision package should be directed to Stacy Crawford at (360) 725-1884 or stacy.crawford@hca.wa.gov.

Questions related to the programmatic portion of this package should be directed to Todd Slettvet at (360) 725-1626 or todd.slettvet@hca.wa.gov.

Narrative Justification and Impact Statement

This proposal is intended to meet the Governor’s request for agencies to submit plans for 10 percent reductions as a result of expected revenue shortfall for the 2011-13 Biennium.

What specific performance outcomes does the agency expect?

This reduction package identifies savings in response to instructions provided by the Office of Financial Management (OFM) for the 2012 Supplemental Budget.

Performance Measure Detail

Activity:	H056	Mandatory Medicaid Program for Children and Families
Activity:	H057	Medicaid for Optional Children
Activity:	H058	Medicaid Program for Aged, Blind, and Disabled
Activity:	H067	Optional Health Care for Workers with Disability
Activity:	H089	SCHIP

Is this decision package essential to implement a strategy identified in the agency’s strategic plan?

Yes. This package will assist the agency in meeting the targeted reductions as identified by OFM.

Does this decision package provide essential support to one of the Governor’s priorities?

Yes. This package assists the agency in implementing changes to meet the reduction targets identified by OFM as part of the 2012 Supplemental Budget and keeping the state’s budget balanced.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government (POG) process?

Yes. This package assists the agency in implementing changes to meet the reduction targets identified by OFM as part of the 2012 Supplemental Budget.

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What are the other important connections or impacts related to this proposal?

Not applicable.

What alternatives were explored by the agency, and why was this alternative chosen?

None, as this an optional program, and is needed to achieve general fund state savings towards the Governor's 5% and 10% budget reduction targets.

What are the consequences of not funding this package?

The agency will not be able to meet its budget reduction targets.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

RCW (74.09.770) and WAC (182-533-0310 through 182-533-0390) require repeal which could take up to four weeks.

Expenditure and revenue calculations and assumptions.

Revenue Calculations and Assumptions:

Not applicable.

Expenditure Calculations and Assumptions:

The estimate is based on February 2011 forecast for MSS, less the thirty percent reduction to MSS taken in the 2011-2013 budget process.

MSS Elimination Remaining Balance after 11-13 BN 30% Reduction				
Full elimination effective January 1, 2012				
Additional Saving				
	GFS	GFS	GFF	GFF
	FY12	FY13	FY12	FY13
Original saving (100% Elimination - based on Feb 2011 Forecast)	19,905,000	20,153,000	19,702,000	19,900,000
Removal of CHP, DL & ADATSA	(139,000)	(140,000)		
Net Savings	19,766,000	20,013,000	19,702,000	19,900,000
Count 6 month for FY12	9,883,000	20,013,000	9,851,000	19,900,000
Budget step G96 reduce by 30% after removal of CHP, DL/ADATSA	(2,990,994)	(5,982,000)	(2,978,994)	(5,948,000)
Additional Saving	6,892,006	14,031,000	6,872,006	13,952,000
Rounded	6,892,000	14,031,000	6,872,000	13,952,000

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

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Distinction between one-time and ongoing costs:

This proposal assumes this would be an ongoing reduction.

Budget impacts in future biennia:

Not applicable.